



ADMINISTRATION AND
MANAGEMENT

OFFICE OF THE SECRETARY OF DEFENSE
1950 DEFENSE PENTAGON
WASHINGTON, DC 20301-1950

DEC 13 2012

MEMORANDUM FOR COMMITTEE MANAGEMENT SECRETARIAT
GENERAL SERVICES ADMINISTRATION

SUBJECT: Committee Charter and Membership Balance Plan Consultation – *Department of Defense Medicare-Eligible Retiree Health Care Board of Actuaries*

The Department of Defense, pursuant to the Federal Advisory Committee Act of 1972, as amended, intends to renew the charter for the *Department of Defense Medicare-Eligible Retiree Health Care Board of Actuaries* (attached). The Board will operate under the provisions of the Federal Advisory Committee Act of 1972, as amended and in accordance with 41 CFR § 102-3.50.

Prior to filing the Board's charter with the Library of Congress and the appropriate congressional committees the Department of Defense respectively requests that the Committee Management Secretariat review and approve the proposed charter and membership balance plan (attached). Both documents has been reviewed and approved by the Office of the General Counsel for the Department of Defense.

If you should have any questions about this charter please contact my point of contact, Len O'Reilly, at 703-692-5949.

Marcia L. Moore
Deputy Advisory Committee Management
Officer for the Department of Defense

Attachments
Proposed Charter
Proposed Membership Balance Plan

Charter
Department of Defense Medicare-Eligible Retiree Health Care Board of Actuaries

1. Committee's Official Designation: The Committee shall be known as the Department of Defense Medicare-Eligible Retiree Health Care Board of Actuaries ("the Board").
2. Authority: The Secretary of Defense, under the provisions of 10 U.S.C. § 1114, the Federal Advisory Committee Act (FACA) of 1972 (5 U.S.C., Appendix, as amended) and 41 C.F.R. § 102-3.50(a) (required by statute), established the Board.
3. Objectives and Scope of Activities: The Board shall provide the Secretary of Defense with independent advice and recommendations related to actuarial matters associated with the Department of Defense (DoD) Medicare-Eligible Retiree Health Care Fund ("the Fund") and other related matters described in (4) and (5) below.
4. Description of Duties: The Board, under the authority of 10 U.S.C. § 1114, shall provide independent advice and recommendations related to actuarial matters associated with the Fund and on matters referred by the Secretary of Defense, including those regarding:
 - a. Valuation of the Fund under 10 U.S.C. § 1115(c).
 - b. Recommendations for such changes as in the Board's judgment are necessary to protect the public interest and maintain the Fund on a sound actuarial basis; and
 - c. Advise the Secretary of Defense on all actuarial matters necessary to make determinations in order to finance liabilities of the Fund on an actuarially sound basis.
5. Agency or Official to Whom the Committee Reports: The Board shall report to the Secretary of Defense. The Board shall report annually on the actuarial status of the Fund, and the Board shall furnish its advice and opinion on matters referred to it by the Secretary. The Board shall report periodically, but not less than once every four years, to the President and the Congress on the status of the Fund and shall include recommendations for such changes as in the Board's judgment are necessary to protect the public interest and maintain the Fund on a sound actuarial basis.

The Secretary of Defense, through the Under Secretary of Defense for Personnel and Readiness (USD(P&R)), may act upon the Board's advice and recommendations.

6. Support: The DoD, through the USD(P&R), shall provide support as deemed necessary for the Board's performance, and shall ensure compliance with the requirements of FACA, the Government in the Sunshine Act of 1976 (5 U.S.C. § 552b) ("the Sunshine Act"), governing Federal statutes and regulations, and established DoD policies/procedures.

Additional information and assistance, as required and with DoD approval, may be obtained from other DoD Components with contracting authority and from support contractors, including DoD Federally Funded Research and Development Centers, for studies and analysis support.

7. Estimated Annual Operating Costs and Staff Years: The estimated annual operating cost, to include travel, meetings, and contract support, is approximately \$69,000.00. The estimated annual personnel cost to the DoD is 0.4 full-time equivalent.
8. Designated Federal Officer: The Board's DFO, pursuant to DoD policy, shall be a full-time or permanent part-time DoD employee, and shall be appointed in accordance with established DoD policies/procedures.

The Board's DFO is required to be in attendance at all meetings of the Board and its subcommittee for the entire duration of each and every meeting. However, in the absence of the Board's DFO, a properly approved Alternate DFO, duly appointed to the Board according to DoD policies/procedures, shall attend the entire duration of the meetings of the Board or subcommittee.

The DFO, or the Alternate DFO, shall call all meetings of the Board and its subcommittees; prepare and approve all meeting agendas; adjourn any meeting when the DFO or Alternate DFO determines adjournment to be in the public interest or required by governing regulations or DoD policies/procedures; and chair meetings when directed to do so by the official to whom the Board reports.

9. Estimated Number and Frequency of Meetings: The Board shall meet at the call of the Board's DFO, in consultation with the Board's Chairperson. The estimated number of meetings by the Board is one per year.
10. Duration: The need for this advisory function is on a continuing basis; however, it is subject to renewal every two years.
11. Termination: The Board shall terminate upon repeal of 10 U.S.C. § 1114.
12. Membership and Designation: The Board shall be composed of three members who are appointed by the Secretary of Defense from among qualified professional actuaries who are members of the Society of Actuaries. The Board members shall serve for a term of 15 years; except those Board members appointed to fill a vacancy occurring before the end of the term for which the predecessor was appointed shall serve only until the end of such term. Board members may serve after the end of the term until a successor has taken office.

Members of the Board shall be appointed by the Secretary of Defense and their appointments shall be renewed on an annual basis according to DoD policies/procedures. Members of the Board who are not full-time or permanent part-time Federal employees shall be appointed to serve as experts and consultants under the authority of 5 U.S.C. § 3109 and serve as special Government employees (SGE) and shall, under the authority of 10 U.S.C. § 1114(a)(3), serve with compensation, to include travel and per diem for official travel, in accordance with 5 U.S.C § 5703. Each member of the Board is appointed to provide advice on behalf of the Government on the basis of his or her best judgment without representing any particular point of view and in a manner that is free from conflict of interest.

A member of the Board may be removed by the Secretary of Defense for misconduct or failure to perform functions vested in the Board and for no other reason.

The chairperson of the Board shall be designated by the USD(P&R), on behalf of the Secretary of Defense.

13. Subcommittees: The Department, when necessary and consistent with the Board's mission and DoD policies/procedures, may establish subcommittees, task groups, and working groups to support the Board. Establishment of subcommittees will be based upon a written determination, to include terms of reference, by the Secretary of Defense, the Deputy Secretary of Defense, or the USD(P&R).

Such subcommittees shall not work independently of the Board, and shall report all of their recommendations and advice solely to the Board for full deliberation and discussion. Subcommittees have no authority to make decisions and recommendations, verbally, or in writing, on behalf of the Board; nor can any subcommittee or its members update or report directly to the DoD or any Federal officers or employees.

The Secretary or the Deputy Secretary of Defense may approve the appointment of subcommittee members for one-to-four year terms of service; however, no member, unless authorized by the Secretary, may serve more than two consecutive terms of service. These individuals may come from the parent committee or may be new nominees, as recommended by the USD(P&R) and based upon the subject matters under consideration.

Subcommittee members, if not full-time or part-time Government employees, shall be appointed to serve as experts and consultants under the authority of 5 U.S.C. § 3109, and shall serve as SGEs, whose appointments must be renewed by the Secretary of Defense on an annual basis. With the exception of travel and per diem for official travel related to the Board or its subcommittees, subcommittee members shall serve without compensation.

Each subcommittee member is appointed to provide advice on behalf of the Government on the basis of his or her best judgment without representing any particular point of view and in a manner that is free from conflict of interest.

All subcommittees operate under the provisions of FACA, the Sunshine Act, governing Federal statutes and regulations, and governing DoD policies/procedures.

14. Recordkeeping: The records of the Board and its subcommittees shall be handled according to section 2, General Records Schedule 26 and governing DoD policies and procedures. These records shall be available for public inspection and copying, subject to the Freedom of Information Act of 1966 (5 U.S.C. § 552, as amended).

15. Filing Date:

Membership Balance Plan
Department of Defense Medicare-Eligible Retiree Health Care Board of Actuaries

Agency: Department of Defense (DoD)

1. Authority: The Secretary of Defense, under the provisions of 10 U.S.C. § 1114, the Federal Advisory Committee Act (FACA) of 1972 (5 U.S.C., Appendix, as amended), and 41 C.F.R. § 102-3.50(a) (required by statute), established the Department of Defense Medicare-Eligible Retiree Health Care Board of Actuaries ("the Board").
2. Mission/Function: The Board, under the provisions of 10 U.S.C. § 1114 and FACA, shall provide the Secretary of Defense independent advice and recommendations related to actuarial matters associated with the Department of Defense Medicare-Eligible Retiree Health Care Fund ("the Fund") and on matters referred by the Secretary of Defense, including matters pertaining to the following:
 - a. Valuation of the Fund under 10 U.S.C. § 1115(c).
 - b. Recommendations for such changes as in the Board's judgment are necessary to protect the public interest and maintain the Fund on a sound actuarial basis.
 - c. Advise the Secretary of Defense on all actuarial matters necessary to make determinations in order to finance liabilities of the Fund on an actuarially sound basis.
3. Points of View: The Board shall be composed of three members appointed by the Secretary of Defense from among qualified professional actuaries who are members of the Society of Actuaries.

DoD has found that viewing complex issues through a multi-disciplinary advisory committee provides DoD and, more importantly, the American public with a broader understanding on which to base subsequent policy decisions.

DoD, in selecting potential candidates for the Board, reviews the educational and professional credentials of individuals and bases its selections on this review and the subject matters being handled by the Board.

Each member, based upon his or her individual and professional experience, provides his or her best judgment on the matters before the Board, and he or she does so without representing any particular point of view and in a manner that is free from conflict of interest. Board members appointed by the Secretary of Defense, who are not full-time or permanent part-time Federal officers or employees, shall be appointed to serve as experts and consultants under the authority of 5 U.S.C. § 3109 and serve as special Government employees (SGE).

DoD, unless otherwise directed by an Act of Congress or Presidential directive, does not use representative members on DoD established or supported advisory committees.

4. Other Balance Factors: None.

Membership Balance Plan
Department of Defense Medicare-Eligible Retiree Health Care Board of Actuaries

5. Candidate Identification Process: DoD, in selecting potential candidates for this Board, reviews the experience and professional credentials of individuals with extensive backgrounds related to actuarial matters associated with retiree health care and who are members of the Society of Actuaries. Potential candidates are identified with the assistance of the DoD Office of the Actuary (OACT), which contains all of the Department's actuarial expertise. OACT consults with various actuarial bodies, including the American Academy of Actuaries, and with the Board members themselves.

Once potential candidates are identified, the Designated Federal Officer, in consultation with OACT, reviews the credentials of each individual and narrows the list of potential candidates. The list is then forwarded to the USD(P&R) for review and formal nomination to the Secretary of Defense. During the USD(P&R)'s review, he or she strives to achieve a balance between the experiences of the individuals and the required subject matters that will be reviewed by the Board to obtain expertise in points of view regarding designated topics.

Prior to nominating the potential candidates, the list of candidates will undergo a review by the Department of Defense Office of General Counsel and the Office of the Advisory Committee Management Officer to ensure compliance with Federal and DoD governance requirements, including compliance with the Board's charter and membership balance plan. Following this review, the USD(P&R) formally nominates the potential candidates to the Secretary of Defense for approval; pursuant to DoD policy, only the Secretary or the Deputy Secretary of Defense can invite or approve the appointment of individuals to serve on DoD established or supported advisory committees.

Following approval by the Secretary or Deputy Secretary of Defense, the candidates are required to complete the necessary appointment paperwork, to include meeting ethics requirements stipulated by the Office of Government Ethics for advisory committee members who are SGE members.

The Secretary of Defense may approve the appointments of members to the Board for fifteen years with annual renewals; except those Board members appointed to fill a vacancy occurring before the end of the term for which the predecessor was appointed shall serve only until the end of such term. Board members may serve after the end of the term until a successor has taken office. No Board member may be reappointed for successive terms. Membership vacancies for the Board will be filled in the same manner as described in the previous four paragraphs.

6. Subcommittee Balance: The Department, when necessary and consistent with the Board's mission and DoD policies/procedures, may establish subcommittees, task groups, or working groups to support the Board.

The Secretary or the Deputy Secretary of Defense shall approve the appointment of subcommittee members for one-to-four year terms of service with annual renewals; however, no member, unless authorized by the Secretary, may serve more than two consecutive terms of service. Individuals considered for appointment to any subcommittee of the Board may come from the Board itself or new nominees, as recommended by the Board's sponsor and

Membership Balance Plan

Department of Defense Medicare-Eligible Retiree Health Care Board of Actuaries

based upon the subject matter under consideration, but they must be approved by the Secretary or Deputy Secretary before participating in any subcommittee work. Subcommittee members, if not full-time or part-time Government employees, shall be appointed to serve as experts and consultants under the authority of 5 U.S.C. § 3109, and shall serve as SGEs, whose appointments must be renewed by the Secretary of Defense on an annual basis.

7. Other: The DoD adheres to the rules and regulations issued by the Office of Government Ethics and the Administration's prohibition against registered Federal lobbyists.
8. Date Prepared: